

**C.I.M. Acquisition  
Status Report**

**SCICON**

**INPUT**





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**SCICON**

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# **C.I.M. ACQUISITION STATUS REPORT**

**SCICON**

**July 1986**



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# OUTLINE OF PRESENTATION

- Objective
- Process
- Candidates
- Company Profile Summary
- Alternatives





## **OBJECTIVE**

- **SCICON Need:** U.S. Distribution Capability for PS, PL, CAPES, SUPERCAPES software
- **Goal:** Acquisition
- **Acquisition Focus:** Company Selling Software or Turnkey Systems for Manufacturing Industries



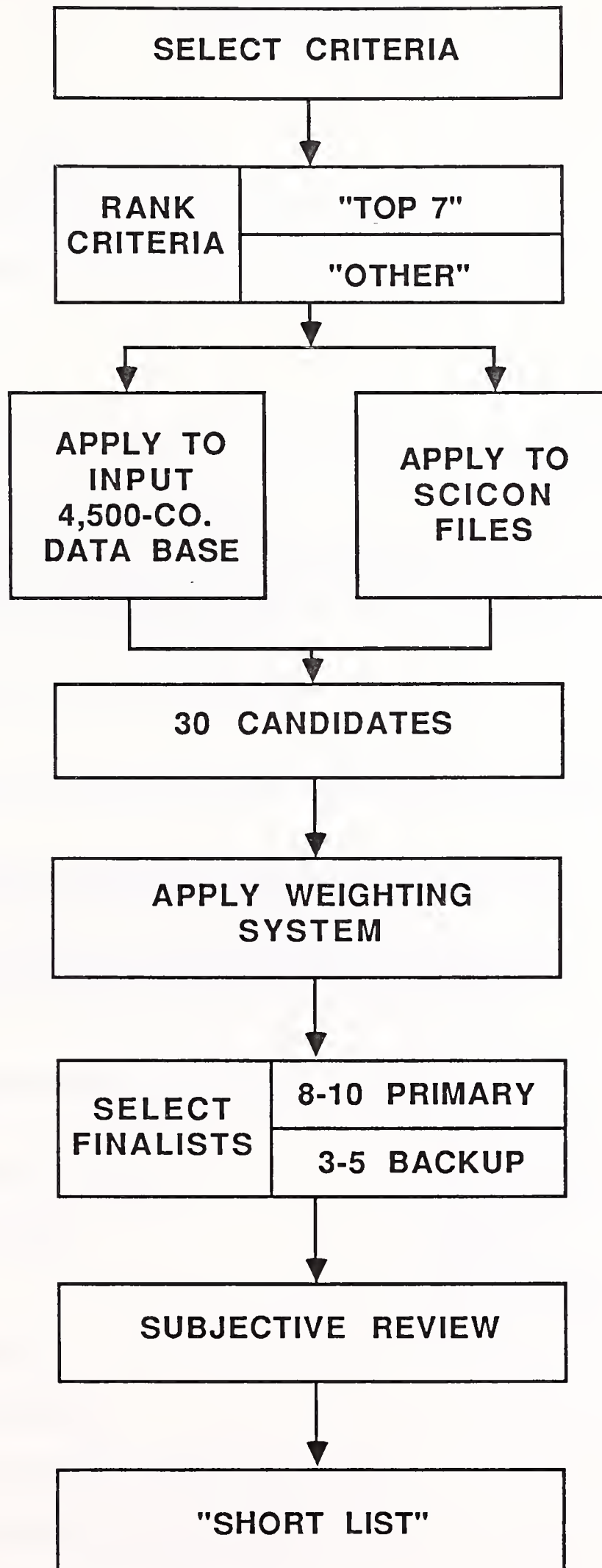
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## PROCESS







## CATEGORY A

- Existing Distribution/Sales Network
  - Sales, sales management, and marketing capability
  - Established network sufficient to cover U.S.
- Location
  - U.S. based
  - Close to major CIM markets (Detroit, Chicago, East Coast, California)
- Product/Service Mix (acceptable options)
  - Complementary to SIL software products strategy (i.e., can market and sell SISCO products; also not in direct competition to SISCO products current or planned)
  - Area control (Level II) software content Highest Priority
  - CIM communications LANS or gateways (must be complementary to TGC) Second Priority
  - Unit control (Level III) product that is complementary to area control (Level II), e.g., interface between II and III Third Priority
  - Generic software product or capability essential in CIM market (e.g., distributed relational DBMS, development tools, DSS, MIS, etc.) Fourth Priority
- End User Market Penetration (one or combination) Discrete Manufacturing End Product
  - Automotive/automotive supply
  - Electronics Assembly
  - Aerospace
  - Semiconductor
  - Appliance
  - Machine Tools
- Hardware Compatibility
  - IBM, DEC (one or both)
  - For IBM - VM Operating System; PC-DOS; Unix
  - For DEC - VMS or Unix Operating System



## **CATEGORY B**

- **Complementary to Scicon Culture**
  - Synergistic with strategy in CIM
  - Linkages to other Scicon lines of business (e.g., communications, energy)
- **Management Capability of Candidate**
  - Strong administrative management capability for candidate with extensive distribution network
  - Strong technical management capability for candidate with product development activity
  - Strong bottom line motivation
  - Same management last 2-3 years
- **Location**
  - Close to current/planned facilities (California, Maryland, etc.)
- **Other**
  - Established education/training facilities in support of product sales





## **CATEGORY C**

- **Size**

- Revenue range (\$2 million - \$100 million) - - high-end companies to identify "spin-off" divisions or product lines (optimum size \$25-50 million)
- Number of employees - - not a criteria in the initial first-level screen but used as a factor in subsequent analysis

- **Financial Performance**

- Growth range (10-15% per year)
- Profitable - - may include appropriate judgmental analysis
- Other financial factors will, of course, be included in subsequent analysis but will not be part of the initial screen (e.g., return on equity, debt to equity, etc.)





## 'TOP 7' ACQUISITION CRITERIA

CRITERION	MOST DESIRABLE CHARACTERISTIC
1. Sales/Distribution Capability	National
2. Sales Management	Strong
3. Headquarters Location	Close to Major CIM Markets
4. Product Line	Complementary
5. Target Hardware	IBM and/or DEC
6. Target Industries	Automobiles, Electrical/ Electronics, Instrumentation, Appliances, Transportation
7. Software Content of Product	Level II or III



## 'OTHER' ACQUISITION CRITERIA

CRITERION	MOST DESIRABLE CHARACTERISTIC
8. Corporate Culture	Complementary
9. Management Emphasis	Operating
10. Company Size	\$6 - \$40 Million
11. Financials	Growth and Profit > 10% for Past 2 Years
12. Company Ownership	Private
13. Economies of Scale	Good
14. Management Team	Together 2 - 3 Years



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# **CANDIDATES**

## **"A" CATEGORY**

- **ASK Computer Systems (Los Altos, CA)**
- **Automation Intelligence (Orlando, FL)**
- **Caelus Systems (Spokane, WA)**
- **Comserv Corporation (Eagan, MN)**
- **Data 3 Systems (Santa Rosa, CA)**
- **M.D.S.I. (Ann Arbor, MI)**
- **Management Science America (Atlanta, GA)**
- **Professional Computer Resources  
(Oak Brook Terrace, IL)**
- **Xerox Computer Systems (Los Angeles, CA)**



# CANDIDATES

## "B" CATEGORY

- Keane, Inc. (Boston, MA)
- NCA Corporation (Santa Clara, CA)
- ProfitKey International (Salem, NH)



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"A" Company	1985 Revenues (\$ Millions)	Return on Sales (Percent)	Number of Employees	Number of Sales Reps	Market Valuation, if Public Company (\$ Millions)
ASK	\$80	10.0%	450	80	\$145
Automation Intelligence	\$10.5	N/A	110	15	Private
Caelus	\$3	N/A	40	1 Direct 15 Dealers	Private
Comserv	\$29	4.2%	300	35	\$12
Data 3 Systems	\$8.5	N/A	95	15	Private
M.D.S.I.	\$55	N/A	400	>50*	Division
M.S.A.	\$152	4.5%	1,950	>75	\$250
Professional Computer Resources	\$22	N/A	140	31	Private
Xerox Computer Services	\$80	N/A	1,250	>60*	Division

\*For Manufacturing Software Products.

N/A = Not Available.



<b>"A" Company</b>	<b>Computer Hardware</b>	<b>Location</b>	<b>Notes</b>
ASK	<ul style="list-style-type: none"> <li>● HP 3000</li> <li>● VAX</li> <li>● Micro VAX</li> </ul>	Los Altos, CA	<ul style="list-style-type: none"> <li>● P/E = 20</li> <li>● Large Companies</li> <li>● Good Management</li> </ul>
Automation Intelligence	<ul style="list-style-type: none"> <li>● VAX</li> <li>● PC/AT</li> </ul>	Orlando, FL	<ul style="list-style-type: none"> <li>● Large Company Focus</li> </ul>
Caelus	<ul style="list-style-type: none"> <li>● Wang</li> <li>● (Adding DEC)</li> <li>● (Adding IBM)</li> </ul>	Spokane, WA	<ul style="list-style-type: none"> <li>● Available for Acquisition</li> </ul>
Comserv	<ul style="list-style-type: none"> <li>● 30XX</li> <li>● 43XX</li> <li>● HP 3000</li> </ul>	Eagan, MN	<ul style="list-style-type: none"> <li>● P/E = 16</li> <li>● Large Company Focus</li> </ul>
Data 3 Systems	<ul style="list-style-type: none"> <li>● S/34/6/8</li> </ul>	Santa Rosa, CA	<ul style="list-style-type: none"> <li>● Medium Company Focus</li> </ul>
M.D.S.I.	<ul style="list-style-type: none"> <li>● VAX</li> <li>● DG NOVA</li> </ul>	Ann Arbor, MI	<ul style="list-style-type: none"> <li>● Parent: Schlumberger/ Applicon</li> </ul>
M.S.A.	<ul style="list-style-type: none"> <li>● IBM Mainframe</li> </ul>	Atlanta, GA	<ul style="list-style-type: none"> <li>● P/E = 40</li> </ul>
Professional Computer Resources	<ul style="list-style-type: none"> <li>● IBM S/38</li> </ul>	Chicago, IL	<ul style="list-style-type: none"> <li>● Profitable; Growing Company</li> </ul>
Xerox Computer Services	<ul style="list-style-type: none"> <li>● IBM Hardware</li> </ul>	Los Angeles, CA	<ul style="list-style-type: none"> <li>● Parent: Xerox Corporation</li> </ul>



<b>"A" COMPANY</b>	<b>LEVEL I</b>	<b>LEVEL II</b>	<b>LEVEL III</b>
<b>ASK</b>	<b>X</b>	<b>X</b>	
<b>Automation Intelligence</b>	<b>X</b>		
<b>Caelus</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Comserv</b>	<b>X</b>		
<b>Data 3 Systems</b>	<b>X</b>		
<b>M.D.S.I.</b>		<b>X</b>	<b>X</b>
<b>M.S.A.</b>	<b>X</b>		
<b>Professional Computer Resources</b>	<b>X</b>		
<b>Xerox Computer Services</b>	<b>X</b>	<b>X</b>	





"B" COMPANY	1985 REVENUES (\$ Millions)	RETURN ON SALES (Percent)	NUMBER OF EMPLOYEES	NUMBER OF SALES REPS	MARKET VALUATION, IF A PUBLIC CO. (\$ Millions)
Keane	\$39.7	1.9%	608	40	\$14
NCA	\$20	0.9%	250	20	\$11
ProfitKey International	\$5.6	N/A	92	17	Private

N/A = Not Available.



<b>"B" COMPANY</b>	<b>COMPUTER HARDWARE</b>	<b>LOCATION</b>	<b>NOTES</b>
Keane	<ul style="list-style-type: none"> <li>● VAX</li> <li>● PDP</li> <li>● ECLIPSE/MV</li> </ul>	Boston, MA	<ul style="list-style-type: none"> <li>● P/E = 18</li> <li>● Large and Medium Plant Focus</li> <li>● Sales Offices Mainly in Eastern U.S.</li> </ul>
NCA	<ul style="list-style-type: none"> <li>● VAX</li> <li>● PDP</li> </ul>	Santa Clara, CA	<ul style="list-style-type: none"> <li>● Large and Medium Plant Focus</li> <li>● Nine Sales Offices</li> </ul>
ProfitKey International	<ul style="list-style-type: none"> <li>● Unix</li> <li>● Xenix</li> </ul>	Salem, NH	<ul style="list-style-type: none"> <li>● Medium Plant Focus</li> <li>● Six Sales Offices</li> </ul>



"B" COMPANY	LEVEL I
Keane	X
NCA	X
ProfitKey International	X





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## **TWO MAJOR ALTERNATIVES**

- **"Big Hit"**

- **Established Companies**
- **>50 Sales Representatives**
- **Strong Market "Presence"/Big Name**
- **"Integrated" Product Line**
- **Focus: Large Plants**
- **Relatively Expensive**

- **"Smaller Hit"**

- **Lesser Market "Presence"**
- **15 - 50 Sales Representatives**
- **Integrated Product Line**
- **Target: Specific SICs**
- **Focus: Medium and Large Plants**
- **Business: 90 - 100% in Manufacturing Software**
- **Affordable**



## 'SMALLER HITS'

COMPANY	PRODUCT APPLICATIONS	ADVANTAGES	DISADVANTAGES
Comserv	<ul style="list-style-type: none"> <li>● Accounting</li> <li>● Integrated MRP II</li> <li>● Shop Floor Control</li> </ul>	<ul style="list-style-type: none"> <li>● 20% Owned by CDC; May Be for Sale</li> <li>● IBM 30XX, 43XX; HP 3000</li> <li>● Industry Focus: Discrete, Pharmacy, Aerospace</li> <li>● 100% Software</li> </ul>	<ul style="list-style-type: none"> <li>● Not Profitable</li> <li>● Although Company Claims Sales/Mktg. Orientation, Comments Support Product and Technology Orientation</li> </ul>
Keane	<ul style="list-style-type: none"> <li>● Integrated Manufacturing System</li> <li>● Accounting</li> <li>● Shop Floor Control</li> </ul>	<ul style="list-style-type: none"> <li>● 70% Professional Services</li> <li>● Large &amp; Medium Company Focus</li> <li>● DEC VAX &amp; DG Hardware</li> </ul>	<ul style="list-style-type: none"> <li>● 20% of Business in Manufacturing Software</li> <li>● Geographic Emphasis: Eastern U.S.</li> </ul>
M.D.S.I.	<ul style="list-style-type: none"> <li>● CNC Programming</li> <li>● Engineering Specifications Software</li> <li>● Machine Interfaces</li> </ul>	<ul style="list-style-type: none"> <li>● Strong Distribution Capability</li> <li>● Expertise in Factory Floor/Machines</li> </ul>	<ul style="list-style-type: none"> <li>● No Accounting or Integrated MRP II Software</li> <li>● Does Not Support IBM Hardware</li> </ul>
NCA	<ul style="list-style-type: none"> <li>● Integrated Accounting and MRP II</li> </ul>	<ul style="list-style-type: none"> <li>● 8 Sales Offices</li> <li>● 1Q/86 Operating Loss</li> <li>● Industry Focus: Discrete</li> </ul>	<ul style="list-style-type: none"> <li>● 30% Computer Service</li> <li>● May Have Plateaued</li> <li>● Management Limitations</li> </ul>
Professional Computer Resources	<ul style="list-style-type: none"> <li>● Integrated MRP II</li> <li>● Shop Floor Control</li> </ul>	<ul style="list-style-type: none"> <li>● IBM Value-Added Distributor</li> <li>● 70 Sales Offices</li> <li>● Growing &amp; Profitable for Past 2 Years</li> <li>● Sales/Marketing-Oriented</li> </ul>	<ul style="list-style-type: none"> <li>● No Fixed Assets Software</li> <li>● No Payroll Software</li> <li>● Sells S/W Only for S/38</li> <li>● 15% Turnkey</li> </ul>



## COMPANY PROFILES

- Name
- City, State
- 1985 Revenues
- Employees
- Sales Representatives
- Target Hardware
- Target Industries
- Target Size of Customers
- Delivery Modes
- Percent of Total Business in Manufacturing Software
- Distribution Channels
- Products
  - Major Application Modules
  - Allen-Bradley Software Level(s)
- Cities with Direct Sales Offices
- Shares Outstanding
- Share Price
- Market Valuation
- 1985 EPS
- P/E Ratio
- Notes





# ASK COMPUTER SYSTEMS

City, State: Los Altos, CA

1985 Revenues: \$79.2 Million

Employees: 450

Sales Reps: 80

Target Hardware:     ● HP 3000, Spectrum  
                          ● DEC VAX, microVAX

Target Industries: Electronics; SICs 25-30 (discrete)

Target Firms: Large (\$30 - \$150 million plants); 1/3 are F1000 subsidiaries or divisions

Delivery Mode(s) and Percentages:     ● 80% Turnkey  
  ● 10% Processing Services  
  ● 10% Software Products

Percent of Total Business in Manufacturing Software: 100%

Distribution Channels: 100% Direct Sales

Products:

1. Applications: Integrated MRP II, Accounting, some peripheral connections
2. Software Level(s): I, II

Sales Offices in: Los Altos, CA; Syosset, NY; Westport, CT; Burlington, MA; King of Prussia, PA; Fort Lauderdale, FL; Hinsdale, IL; Akron, OH; Bellevue, WA; Orange, CA; Phoenix, AZ; Richardson, TX; Houston, TX.

Shares Outstanding: 12.8 Million

Share Price (June 29, 1986): \$17.37

Market Valuation: \$145.5 Million

1985 EPS: \$0.65

P/E Ratio: 23

- Notes:
- Cash (6/85): \$54 Million
  - Long-term Debt (6/85): Nil; Short-term Debt (6/85): \$16.8 Million
  - Lease Commitment through 1991: \$6.5 Million
  - Capital Assets (6/85): \$8.5 Million



# **AUTOMATION INTELLIGENCE, INC.**

**City, State:** Orlando, FL

**Formed by:** Executives from Westinghouse Automation Division

**1985 Revenues:** \$10.5 Million

**1985 Profit/(Loss):** (\$1.0 Million)

**1986 Revenues (estimated):** \$10.2 Million

**Employees:** 110

**Sales Reps:** 15 (Estimate)

**Distribution Channels:** 100% Direct Sales

**Percent of Total Business in Manufacturing Software:** 100%

**Target Hardware:**

- DEC VAX
- IBM PC/AT

**Target Firms:** Large Plants

**Delivery Mode(s) and Percentages:**

- 90% Software
- 10% Service Bureau

**Licensing Agreements:** Computervision, Auto-Trol, Graftek have licensed N/C software.

**Products:**

**1. Applications:** Data Acquisition, Cluster Controllers, LANs; Linkages

**2. Level(s):** I

**Sales Offices in:** Detroit; Dallas; Atlanta; Philadelphia; Pittsburgh; Boston; wholly-owned subsidiary in U.K.

**Sales/Service Offices in:** Los Angeles; Buffalo; Pensacola, FL; Chicago

**Shares Outstanding:** Private

**Notes:**

- 51% owned by senior management; 49% owned by venture capitalists Thomas H. Lee, Inc. (Boston) and Hambrecht & Quist, Inc. (San Francisco).
- Company needs additional funding of approximately \$1 million to continue product development.



# CAELUS CORPORATION

City, State: Spokane, WA

1985 Revenues: \$3 Million

Employees: 40

Sales Reps: ● 1 Direct

● 15 Dealers

Sales Breakdown by Channel: ● 10% Direct

● 90% Dealers

Target Hardware: Wang (Conversion underway for DEC and IBM)

Target Firms: Medium to Large and Very Large Plants

Target Industries: Discrete Manufacturing and Pharmaceuticals

Percent of Total Business in Manufacturing Software: 100%

Delivery Mode(s) and Percentages: Software 100%

Products: 1. Applications: General Accounting, MRPII, Simultaneous Planning, Tracking

2. Level(s): I, II, III

Sales Offices in: Spokane, Chicago, Los Angeles, New Jersey, Atlanta, Dallas

Shares Outstanding: Private

Market Valuation: \$3 to 5 Million



# COMSERV CORPORATION

City, State: Eagan, MN

1985 Revenues: \$28.5 Million

Employees: 300

Sales Reps: 35

Sales Breakdown by Channel: Direct Sales:      ● Direct Sales:      90%  
   ● CDC (Europe):      10%

Target Hardware:      ● IBM 30XX, 43XX  
   ● HP 3000, Spectrum

Target Firms:      ● Large Plants  
                                 ● Micro-based Product to Target Standalone Fortune 1000 Plants and Small Firms

Target Industries: Discrete, Pharmaceuticals, Aerospace

Percent of Total Business in Manufacturing Software: 100%

Delivery Mode(s) and Percentages: 100% Software

Products:      1. Applications: Accounting; MRP II; Shop Floor Control  
                         2. Level(s): I

Sales Offices in:      Boston, MA; Chicago, IL; Dallas, TX; Los Angeles, CA; Minneapolis, MN;  
                                 Philadelphia, PA; San Jose, CA; Syracuse, NY; Winston-Salem, NC

Shares Outstanding: 3.234 Million

Share Price (June 30, 1986): Sell - \$3.13; Buy - \$3.63

Market Valuation:      \$11.74 Million

Notes:      ● Currently operating with shareholder deficit due to large losses in 1983 and 1984.  
                 ● CDC owns 20% through purchase of 815,281 shares of convertible preferred stock and has warrants to purchase an additional 20% through 1,358,802 shares of convertible preferred stock.  
                 ● Cash (12/85): \$6.6 Million  
                 ● Capital Assets (12/85): \$20.0 Million  
                 ● Long-Term Debt (12/85): \$34.4 Million  
                 ● Stockholders Equity/(Deficit) (12/85): (\$13.3 Million)





# DATA 3 SYSTEMS, INC.

City, State: Santa Rosa, CA

1985 Revenues: \$8.5 Million (est.)  
\$6.2 Million in 1984

Employees: 95

Sales Reps: 15 Now; to Double in Next 12 Months

Sales Breakdown by Channel:

- 1984 - Was 100% through Reps
- 1986 - To Be 100% Direct

Target Hardware: IBM System/34/36/38

Target Firms: Large and Medium (Plants With \$10 - \$200 Million Revenues)

Target Industries:

- Now - Discrete (80%), Process (10%) and Repetitive Manufacturing (10%).
- 1988 Goal - 1/3 Discrete; 1/3 Process; 1/3 Repetitive

Percent of Total Business in Manufacturing Software: 100%

Delivery Mode(s) and Percentages:

- 78% Software
- 10% Turnkey
- 12% Education/Consulting/Software Maintenance

Products:

1. Applications: Accounting; MRP II; Shop Floor Control; BoM; Capacity Planning
2. Level(s): I

Sales Offices in: Culver City, CA; Mount Laurel, NJ; Chicago, IL.

European Sales: Through Reps

Shares Outstanding: Private

Notes:

- Has doubled sales and profits in each of past two years.
- To address robotics, CIM in future.



**M.D.S.I.**  
**(Division of Schlumberger/Applicon)**

City, State: Ann Arbor, MI

1985 Revenues: \$55 Million (Est.)

1985 Employees: 520 (Est.)

1984 Revenues: \$47.5 Million (Actual)

1984 Employees: 451 (Actual)

Sales Reps: > 50

Sales Breakdown by Channel: 100% Direct

Percent of MDSI Business in Manufacturing Software: 100%

Target Hardware:     ● DEC VAX  
                          ● DG Nova

Target Customers: Large, Medium, Small Plants

Target Industries: Manufacturing Job Shops and Process Shops

Delivery Mode(s) and Percentages:     ● 20% Software  
  ● 22% Turnkey  
  ● 52% Processing Services  
  ● 6% Intelligent Terminals Sales

Products:   1. Applications: Linkages/Interfaces; Engineering Changes; CNC Programming  
              2. Level(s): II, III

Regional Sales Offices in: Pennsylvania; Michigan; Dallas; Costa Mesa, CA

Local Sales Offices: 60-75 U.S. Cities

Shares Outstanding: Division of Applicon/Schlumberger

Notes:     ● Acquired by Schlumberger on January 21, 1981.  
              ● Merged with Applicon in 1985.



# MANAGEMENT SCIENCE AMERICA

**City, State:** Atlanta, GA

**1985 Revenues:** \$151.6 Million

**Employees:** 1,944

**Sales Reps:** 75 +

**Sales Breakdown by Channel:** ● 100% Direct Sales

**Target Hardware:** IBM Mainframes

**Target Customers:** Large Plants (Fortune 500)

**Delivery Mode(s) and Percentages:** ● 100% Software

**Percent of Total Business in Manufacturing Software:** 15% (Est.)

**Products:** 1. Applications: Accounting; Integrated Manufacturing System; Forecasting; MRP II

2. Level(s): I

**Regional Sales Offices:** Atlanta, GA; Oak Brook, IL; Dallas, TX; Ft. Lee, NJ; Santa Monica, CA.

**District Offices in:** Burlington, MA; W. Seneca, NY; Worthington, OH; Houston, TX; Lakewood, CO; Southfield, MI; Kansas City, MO; St. Louis, MO; Brookfield, WI; Bloomington, MN; Hamden, CT; Fort Washington and Pittsburgh, PA; Mesa, AZ; Portland, OR; San Mateo, CA; Bellevue, WA; Alexandria, VA; Winston-Salem, NC.

**Shares Outstanding:** 17.8 Million

**Share Price (June 30, 1986):** \$14.00

**Market Valuation:** \$249.2 Million

**P/E Ratio:** 26

**Notes:** ● Cash and Investments (12/85): \$94.0 Million

● Office Space Noncancellable Leases through 2010: \$109.3 Million

● Current Liabilities (12/85): \$48 Million

● Long-term Debt (12/85): \$4.5 Million (Deferred Taxes)



# PROFESSIONAL COMPUTER RESOURCES, INC.

City, State: Oak Brook Terrace, IL

1985 Revenues: \$22 Million

Employees: 140

Sales Reps: 31

Sales Breakdown by Channel:

- 100% Direct in U.S.
- 20% - Reps, Agents in Europe

Target Hardware: IBM System/38

Target Customers: Medium and Large (15 - \$300 Million Plants)

Delivery Mode(s) and Percentages:

- 85% Software
- 15% Turnkey Systems

Percent of Total Business in Manufacturing Software: 100%

Products: 1. Applications: Accounting (No Fixed Assets; No Payroll)  
Integrated MRP II; Shop Floor

2. Level(s): I

Sales Offices in: Oak Brook, IL; Atlanta, GA; Minneapolis, MN; Teaneck, NJ;  
San Francisco, CA; Los Angeles, CA; Dallas, TX.

Shares Outstanding: Private

Notes:

- IBM Value-Added Distributor
- Sales Grew during Each of Past Two Years
- Profits Grew during Each of Past Two Years





# **XEROX COMPUTER SERVICES**

**City, State: Los Angeles, CA**

**1985 Revenues: XCS = \$80 Million**

**Employees: XCS = 1,250**

**Sales Reps: > 60**

**Sales Breakdown by Channel: ● 100% Direct Sales**

**Target Hardware: IBM Mainframe (43XX, 30XX)**

**Target Customers: Large Companies**

**Delivery Mode(s) and Percentages:**

- 40% Software
- 60% Services

**Percent of Total Business in Manufacturing Software/Service: 45%**

**Products:**

1. Applications: Integrated MRP II System; Accounting Packages; Shop Floor, etc.
2. Level(s): I, II

**Sales Offices in: Major U.S. Cities**

**Shares Outstanding:**

- Division of Xerox Corporation
- XCS Now Profitable/Flat; Previously Unprofitable
- Service Bureau Customers Used as Lead-in to Selling Packaged Software
- Recent Months: Added New Major Accounts



## KEANE, INC.

City, State: Boston, MA

1985 Revenues: \$39.7 Million

Employees: 608

Sales Reps: 40

Sales Breakdown by Channel: ● 100% Direct Sales

Target Hardware: ● DEC VAX, PDP  
● Data General MV and Eclipse

Target Customers: Large and Medium Plants

Delivery Mode(s) and Percentages: ● 67% Professional Services  
● 17% Software  
● 16% Facilities Management

Percent of Total Business in Manufacturing Software: 20%

Products: 1. Applications: Integrated Manufacturing System; Accounting;  
Shop Floor Control  
2. Level(s): I

Sales Offices Focus (Eastern U.S.): Boston, Lexington, MA; Providence, RI;  
Wayne, PA; Glastonbury and Westport, CT;  
Merrillville, IN; Bedford, NH; Jericho, NY;  
Portland, ME; Piscataway, NJ; Chicago, IL;  
Towson, MD.

Shares Outstanding: 896,000

Share Price (June 30, 1986): \$15.75

Market Valuation: \$14.1 Million

P/E Ratio: 18

Financials (12/85): ● Cash: \$74,000  
● Long-term Debt: Nil  
● Short-term Debt: \$7.3 Million  
● Current Assets: \$9.6 Million  
● Lease Obligations through 1990s: \$560,000



# NCA CORPORATION

City, State: Santa Clara, CA

1985 Revenues: \$20 Million (Estimate)

Employees: 250 (Estimate)

Sales Reps: 20

Sales Breakdown by Channel:

- 90% Direct
- 10% Agents (France, Australia)

Target Hardware: DEC VAX, PDP

Target Customers: Large and Medium Firms

Target Industry: Discrete Manufacturing

Delivery Mode(s) and Percentages:

- 68% Software
- 30% Computing Services
- 2% Professional Services

Percent of Total Business in Manufacturing Software: 70%

Products: 1. Applications: Integrated Accounting, MRP II  
2. Level(s): I

Sales Offices in: Columbia, MD; Lexington, MA; Paramus, NJ; Schaumburg, IL; Irving, TX;  
Tustin and Woodland Hills, CA; Seattle, WA; Portland, OR.

Shares Outstanding: 2.9 Million

Share Price (June 30, 1986): \$4.00

Market Valuation: \$11.6 Million

Notes:

- First Quarter, 1986 Showed a Loss
- May Have Plateaued
- Senior Management Limitations



# PROFITKEY INTERNATIONAL

City, State: Salem, New Hampshire

1985 Revenues: \$5.6 Million

Employees: 92

Sales Reps: 17

Sales Breakdown by Channel:

- 98% Direct
- 2% Rep (Arizona)

Target Hardware: Unix/Xenix-based (Zilog Systems; NCR Tower; ATT 3B1, 3B2, 3B5, 3B10; IBM PC/XT/AT installed with System/36-based product at beta sites)

Target Customers:

- Medium Primarily
- Span: Large to Small Plants

Target Industries: Metalworking and Screw Machine Shops

Delivery Mode(s) and Percentages:

- 70 - 80% Turnkey Systems
- 20 - 30% Software

Percent of Total Business in Manufacturing Software: 100%

Products:

1. Applications: Custom Manufacturing System; Modules for Job Shop and "Traditional" Manufacturing
2. Level(s): I

Sales Offices in: Chicago, Cleveland, Atlanta, Dallas, San Francisco, Los Angeles

Shares Outstanding: Private

Notes:

- Willing to discuss acquisition.
- Operating at a loss.





## **SCIENTIFIC SYSTEMS SERVICES, INC. (SSS)**

**City, State:** Melbourne, FL

**1985 Revenues:** \$22.5 Million

**Employees:** 300

**Sales Reps:** 20

**Sales Breakdown by Channel:** ● 100% Direct

**Target Hardware:** DEC VAX, MicroVAX; Modcomp; Gould S.E.L.; Hewlett-Packard; AYDIN

**Target Customers:** Large Plants

**Target Industries:** Steel; Public Utilities; Automobiles

**Delivery Mode(s) and Percentages:**

- Turnkey - 50%
- Software - 50%

**Percent of Total Business in Manufacturing Software:** 100%

**Products:** 1. Applications: Process Control; Data Acquisition; Product Tracking  
2. Level(s): III

**Sales Offices in:** Melbourne, FL; Pittsburgh, PA; Chicago, IL; Detroit, MI; Thousand Oaks, CA.

**Shares Outstanding:** 4.35 Million

**Share Price (June 30, 1986):** \$2.88

**Market Valuation:** \$12.53 Million

**Notes:**

- Loss in 1985 Was First in 5 Years.
- Backlog (As of 12/85): \$18 Million
- Long-Term Debt (12/85): \$4.9 Million
- Cash on Hand (12/85): \$915,000
- Property (12/85): \$6.0 Million
- Noncancellable Leases (12/85): \$1.2 Million
- Direction: Discrete Manufacturing; Shop Floor Applications in Real-time (DSS; Statistical Quality Control; Machine Diagnostics; Production Monitoring).



## CIM - MODEL



- Overall manufacturing management function, including business accounting, MRP, and management or engineering information systems.
- Plant or area level on-line monitoring and control, including material handling, process and flow control, and plant management.
- On-line, real-time single process or unit control, involving a well-defined stage in manufacturing process.

Source: Allen-Bradley Company









